



STATE OF MICHIGAN  
FAMILY INDEPENDENCE AGENCY  
LANSING

JENNIFER M. GRANHOLM  
GOVERNOR



MARIANNE UDOW  
DIRECTOR

February 27, 2004

Representative Jerry Kooiman, Chair  
House Appropriations Subcommittee on  
The Family Independence Agency  
N1094 House Office Building  
P.O. Box 30014  
Lansing, Michigan 48909

Dear Representative Kooiman:

I am writing to convey the Family Independence Agency (FIA) response to the requirement of Public Act 172 of 2003. Sec. 261 (2), that FIA implement a plan that results in \$2 million savings by restructuring Wayne County offices.

FIA has identified three offices in Wayne County that can be closed and calculated annual savings to be realized (see [Attachment 1](#)). This decision follows from a thorough analysis of overall customer geographic distribution, caseload impact after proposed office closures and ensuring that adequate customer services can be provided to the new client base after staff redistribution. Staff from the three closed office sites will be moved to seven other locations. It will cost approximately \$200,000 to close the three facilities, cover moving expenses and make preparations at the receiving offices (based upon actual expenditures incurred during similar closures last fiscal year).

All three offices have the legislative restrictive cancellation clause that requires specific legislation in order to cancel the leases. Additionally, the lessor is entitled to 60 days notice prior to cancellation. Therefore, while it is not possible to predict exactly when this plan can be set into action, I will immediately request that the State Budget Director add cancellation language for these three locations to the FY 2004 supplemental appropriation bill. Work will commence once legislation has been enacted (during the 60 day notification period) so that the facilities may be vacated at the earliest possible date.

If you have questions or require additional information regarding this matter please contact Mike Scieszka, Chief Financial Officer, 241-9567.

Sincerely,

S/S 2/27/04

Marianne Udow

Attachments

**Family Independence Agency  
Proposed Wayne County Restructuring  
Annual Savings from Facility Closures**

FY 2003 Expenditures

<b>Office/ # Square Feet</b>	<b>Lessor</b>	<b>1. 2. 3.</b>	<b>Annual Rent SqFt Rate</b>	<b>Avg Adjust</b>	<b>Utilities</b>	<b>Janitorial &amp; Rubbish Removal</b>	<b>Other</b>	<b>Telecom</b>	<b>Guard Service</b>	<b>Total Annual Expenditures</b>
Fullerton/Jeffries 8000 Fullerton Detroit 48238 23,104 Square Feet	Kenyon	Legislative Restrictive 60 Days 11/30/07	<u>\$321,700</u> \$13.92	\$16,544	\$52,405	\$26,258	\$22,746	\$20,353	\$64,039	\$524,045
Lincoln Park 999 W. Fort St. Lincoln Park 48146 20,064 Square Feet	Kenyon	Legislative Restrictive 60 Days 04/30/08	<u>\$278,950</u> \$13,90	\$10,255	\$42,835	\$32,988	\$15,612	\$13,948	\$45,836	\$440,424
Magnolia 1145 W. Grand Blvd. Detroit 48208 20,064 Square Feet	Kenyon	Legislative Restrictive 60 Days 01/31/08	<u>\$244,946</u> \$12.21	\$5,126	36127	\$21,920	\$17,772	\$22,619	\$69,516	\$418,026
<b>Total</b>			<b>\$845,596</b>	<b>\$31,925</b>	<b>\$131,367</b>	<b>\$81,166</b>	<b>\$56,130</b>	<b>\$56,920</b>	<b>\$179,391</b>	<b>\$1,382,495</b>

1. Type of Cancellation Clause
2. Number of days cancellation notification required.
3. Lease expiration date. There are no renewals.